

F INANCIALS

2001 DNR FINANCIALS

The following pages provide an overview of DNR's adopted 2001 operating budget, along with a summary of the various charges for utility services provided by the Department's line divisions:

Department of Natural Resources 2001 Operating Budget: An organizational diagram of the Department, including the adopted 2001 operating budget and FTE allotment for each DNR unit. The operating budgets for the Wastewater Treatment Division (WTD) and the Water and Land Resources Division (WLRD) include amounts currently before the County Council for adoption in the Executive's proposed 2001 budget corrections ordinance.

Department of Natural Resources Rate Summary: A summary of the various charges for utility services provided by the Department's line divisions, including rate projections through 2003 (the 2002 and projected 2003 WTD sewer rates are currently under development). Annual changes in inflation rates (both CPI and IPD) are shown for comparison.

Wastewater Treatment Division 2001 Adopted Operating Budget: A functional distribution of the Wastewater Treatment Division's 2001 operating budget, including unit-level operating

budgets, FTE allotments, and revenue sources. Transfers to reserves and the capital program, which are not formally included as operating expenses, are separately identified. The components of the (outgoing) Water and Land Resources Division transfer are also separately identified.

Water and Land Resources Division 2001 Adopted Operating Budget: A functional distribution of the Water and Land Resources Division's 2001 operating budget, including unit-level operating budgets, FTE allotments, and revenue sources. Surface Water Management Fund balance carryover is distributed among the various revenue sources, but not included as part of 2001 total revenues. The components of the (incoming) Wastewater Treatment Division transfer are separately identified.

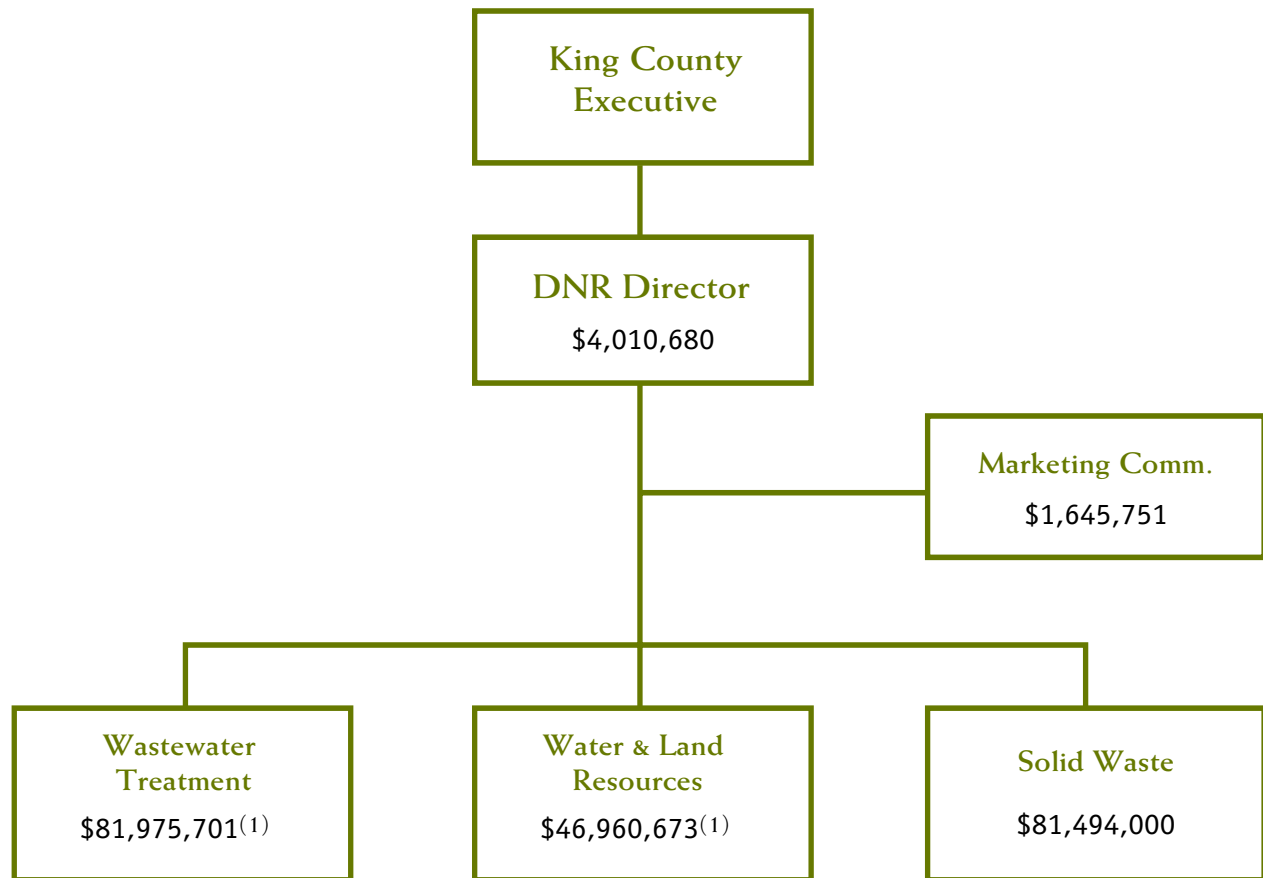
Solid Waste Division 2001 Adopted Operating Budget: A functional distribution of the Solid Waste Division's 2001 operating budget, including unit-level operating budgets, FTE allotments, and revenue sources. Reserves and transfers to the capital program are separately identified.



KING COUNTY

DEPARTMENT OF NATURAL RESOURCES

DEPARTMENT OF NATURAL RESOURCES 2001 OPERATING BUDGET



Note: ⁽¹⁾Assumes 2001 corrections ordinance adopted by Council

DEPARTMENT OF NATURAL RESOURCES RATE SUMMARY

	1997 Actual	1998 Actual	1999 Actual	2000 Actual	2001 Actual	2002 Projected	2003 Projected
Solid Waste Enterprise							
Rate per ton at SWD transfer stations	\$74.25	\$74.25	\$82.50	\$82.50	\$82.50	\$82.50	\$82.50
Change from previous year	–	0.0%	11.1%	0.0%	0.0%	0.0%	0.0%
Regional Direct Fee (\$ per ton)	\$51.25	51.25	59.50	\$59.50	\$59.50	\$59.50	\$59.50
Change from previous year	–	0.0%	16.1%	0.0%	0.0%	0.0%	0.0%

Wastewater Treatment Enterprise

Monthly rate per household (\$/RCE)		\$19.10	\$19.10	\$19.50	\$19.75	TBD	TBD
Change from previous year	–	0.0%	0.0%	2.1%	1.3%		

Surface Water Mgmt. Program

Monthly rate per household ⁽¹⁾	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08	\$7.08
Change from previous year	–	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Inflation Rate⁽²⁾

Sea-Tac Consumer Price Index <small>(change from previous year)</small>	4.0%	3.0%	2.9%	3.2%	3.5% ⁽³⁾	2.2%	2.6%
Implicit Price Deflator <small>(change from previous year)</small>	2.2%	1.4%	1.3%	2.0%	2.4% ⁽³⁾	2.2%	2.4%

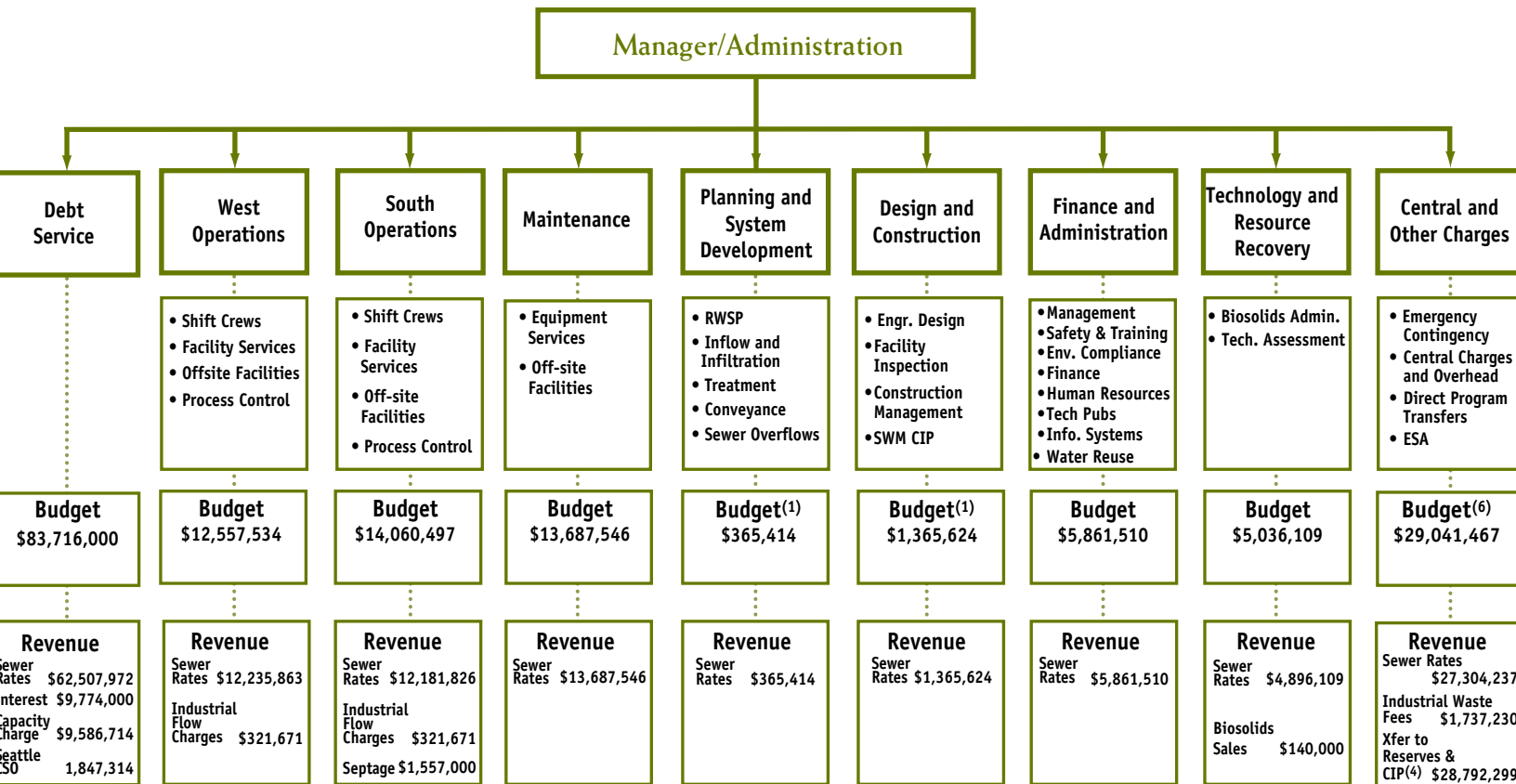
Notes:

(1) Billed twice per year

(2) Source: WA Office of the Forecast Council, WA Economic and Revenue Forecast (Nov. 2000); CPI, Base = 1982-84; IPD, Base = 1996

(3) Projected Change

WASTEWATER TREATMENT DIVISION 2001 ADOPTED OPERATING BUDGET



2001 BUDGET SUMMARY

2001 Total Operating Revenues.....	\$194,484,000
2001 Total Operating Expenditures.....	\$81,975,701
2001 Debt Service.....	\$83,716,000
Transfer to Reserves & CIP.....	\$28,792,299

Notes:

- (1) Operating portion only of these primarily capital-related sections.
 (2) WTD financial policies target is \$5.0 million.
 (3) Land purchase reserve.
 (4) Not included in WTD operating budget. Shown to balance to total operating revenues. Per bond covenant, all excess operating revenues must be used for CIP the following year.
 (6) Includes WLRD transfer:

\$ 11,254,663 - WTD Operating
 \$ 1,657,514 - WTD CIP (Not included in WTD Operating)
 \$ 1,737,230 - Industrial Waste Fees
 \$14,649,407 - Total transfer to WLRD

DESIGNATIONS & RESERVES

Bond Covenant Requirements.....	\$58,387,000
Undesignated Fund Balance ⁽²⁾	\$5,081,000
West Point Settlement.....	\$4,789,000
Mountains to Sound Reserve ⁽³⁾	\$675,000
State Revolving Fund Reserve.....	\$2,545,000

WATER AND LAND RESOURCES DIVISION 2001 ADOPTED OPERATING BUDGET

Manager/Administration

Regional Services/ESA	Resource Lands/Open Space	Public Outreach	Rivers	Business Services	Environmental Lab	Local Drainage Services	Finance, Management & Customer Accounts
<ul style="list-style-type: none"> • WRIA ILA's • RWSP Support • ESA Assessment Work • Marine modeling Assessment, and Analysis • Category II & III Expenditures⁽¹⁾ 	<ul style="list-style-type: none"> • Acquisitions • Agriculture • Incentives • Habitat • Forestry • Noxious Weeds 	<ul style="list-style-type: none"> • Public Involvement • Visual Communication/ GIS • Category II & III Expenditures⁽¹⁾ 	<ul style="list-style-type: none"> • Flood Hazard Reduction • Green River Basin Program • River Management Program • Inter-county RIF 	<ul style="list-style-type: none"> • Hazardous Waste • Industrial Waste 	<ul style="list-style-type: none"> • Environmental Lab Analysis • Data management & analysis • Field sampling • Category II & III Expenditures⁽¹⁾ 	<ul style="list-style-type: none"> • Facilities Maintenance • CIP Support • Drainage Inspection & investigation • Engineering Support • Neighborhood Drainage Assist. • Rural Drainage 	<ul style="list-style-type: none"> • Management • Accounting and Customer Accounts • Info Systems • Central costs • Strategic Development • Intergovernmental
Budget \$8,832,608	Budget \$3,237,584	Budget \$1,481,331	Budget \$3,540,987	Budget \$5,187,543	Budget \$5,593,580	Budget \$11,386,170	Budget \$7,700,870
Revenue SWM charges ⁽²⁾ \$1,172,904 Sewer Rate ⁽⁵⁾ \$5,011,411 Grants/charges for services \$2,648,293	Revenue Current Expense \$1,227,048 Charges for services \$1,500,958 Noxious Weeds \$509,578	Revenue SWM charges ⁽²⁾ \$1,048,660 Sewer Rate ⁽⁵⁾ \$427,105 Grants/charges for services \$5,566	Revenue RIF \$2,471,086 Flood Control Districts \$859,901 Grants/charges for services \$210,000	Revenue Haz. Waste Surcharge \$3,450,313 Industrial Waste Fees \$1,737,230	Revenue⁽³⁾ Sewer Rate ⁽⁵⁾ \$5,593,580	Revenue SWM Charges ⁽²⁾ \$6,871,260 Grants/charges for services \$1,065,121 Rural Fee \$3,449,789	Revenue SWM Charges ⁽²⁾ \$4,501,341 Service Charges and interest \$1,212,330 Sewer Rate ⁽⁵⁾ \$1,880,081 Haz. Waste Surcharge \$107,118

2001 BUDGET SUMMARY

2001 total revenues⁽⁴⁾.....**\$46,960,673**
 2001 total operating expenditures..... **\$46,960,673**

DESIGNATIONS & RESERVES (estimated fund balance on 12/31/01)

Contingency fund balances for Surface Water, River Improvement Funds.....**\$1,288,059**

Notes:

- (1) Category II expenditures benefit wastewater ratepayers by reducing treatment costs. Category III expenditures provide general water quality benefit and are limited to 1.5% of wastewater operating revenues.
 (2) SWM charges include current SWM fees of \$12.4 million, SWM charge reserves of \$1.16 million, and SWM fund balance from previous year.
 (3) Surface Water and Rivers program may contract for lab services on a fee payment basis.
 (4) Does not include SWM/RIF fund balance (SWM/RIF fund balance is included in revenue boxes above for clarity).
 (5) Sewer revenues include:

\$ 11,254,663 - WTD Operating
 \$ 1,657,514 - WTD CIP (Not included in WTD Operating)
 \$ 1,737,230 - Industrial Waste Fees

 \$ 14,649,407 - Total transfer from WTD

SOLID WASTE DIVISION 2001 ADOPTED OPERATING BUDGET

Manager/Administration									
Transfer Station Operations	Transportation Operations	Landfill Operations	Maintenance Operations	Operations Administration	Debt Service	Capital Facilities ⁽⁴⁾	Waste Reduction & Recycling & Mod. Risk Waste	Planning and Communications	Administration & Fiscal Services
• Operate transfer facilities • Collect fees • Monitor waste • Equip. replacement transfer	• Transport garbage to landfill • Haul leachate & maintenance material • Equip. replacement transfer	• Operate and maintain active & closed landfills • Landfill and equip. replacement transfer	• Maintain facilities and equipment • Procure and control inventory	• Maintenance planning for operations functions		• Plan and execute capital projects • Environmental monitoring • Operations support	• Education • Technical and financial assistance • Collection services	• Develop comprehensive plans, analyze programs • Public involvement	• Manage fiscal functions • Administer customer service • Personnel functions • Payroll
Budget \$8,350,000	Budget \$6,920,000	Budget \$20,476,000	Budget \$6,961,000	Budget \$1,344,000	Budget \$8,406,000	Budget \$8,844,000	Budget \$8,327,000	Budget \$1,433,000	Budget \$10,433,000
Revenue Disposal fees \$8,303,000 Rent \$47,000	Revenue Disposal fees \$6,920,000	Revenue Disposal fees \$18,626,000 Fund balance \$262,000 Interest 1,588,000	Revenue Disposal fees \$6,921,000 Grants \$40,000	Revenue Disposal fees \$1,344,000	Revenue Disposal fees \$8,406,000	Revenue Disposal fees \$7,973,000 Constr., Demo and Land clearing fees ⁽²⁾ \$871,000	Revenue Disposal fees \$4,233,000 Haz. waste surcharge \$3,835,000 Uninc. household fees \$259,000	Revenue Disposal fees \$1,241,000 Grants \$192,000	Revenue Disposal fees \$9,929,000 Interest \$504,000

Notes:

- (1) Includes \$3.7 million transfer from the operating fund (rate stabilization account) in 2001.
- (2) Supports Construction, Demolition and Landclearing Program costs in Engineering Section.
- (3) Reserves required by statute and code. Landfill Reserve Fund—\$26.5 million and landfill post-closure maintenance—\$33.0 million.
- (4) Operating portion only of capital facilities budget; does not include debt-financed design/construction costs.

2001 BUDGET SUMMARY

2001 total revenues.....	\$81,232,000
2001 fund balance used.....	\$262,000
2001 total operating expenditures.....	\$81,494,000

DESIGNATIONS & RESERVES (estimated fund balance on 12/31/01)

Landfill reserve fund ⁽³⁾	\$26,525,000
Landfill post-closure maintenance fund ⁽³⁾	\$3,300,000
Capital equipment replacement fund.....	\$9,150,000
Environmental reserve fund.....	0
Operating fund.....	\$10,065,000
Construction Fund ⁽¹⁾	\$16,400,000